

**Introduced by Senator Morrell**

May 7, 2014

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Senate Resolution No. 41—Relative to the 36th anniversary of Proposition 13.

1 WHEREAS, On June 6, 1978, Proposition 13, officially titled  
2 the “People’s Initiative to Limit Property Taxation,” was  
3 overwhelmingly approved by California’s voters, reducing property  
4 tax rates on homes, businesses, and farms, and capping the rate of  
5 increase in the future; and

6 WHEREAS, Prior to the adoption of Proposition 13, California’s  
7 raging inflation had sent property tax bills in California soaring  
8 so high that many families had to sell their homes because they  
9 could not afford to pay their taxes; and

10 WHEREAS, Prior to the adoption of Proposition 13, small  
11 business owners facing fast increasing property taxes were forced  
12 to lay off their employees or close their businesses if property tax  
13 increases made their businesses unprofitable; and

14 WHEREAS, Prior to the adoption of Proposition 13, renters  
15 saw their rents increase when landlords saw their property taxes  
16 increase at a rapid rate; and

17 WHEREAS, With the passage of Proposition 13, taxpayers, for  
18 the first time, were provided a measure of certainty with respect  
19 to their property taxes; and

20 WHEREAS, In the 35 years following the passage of Proposition  
21 13, the average homeowner and the average small business have  
22 saved tens of thousands of dollars annually in property tax  
23 payments, money that was put back into the economy to create  
24 jobs and foster economic development; and

1 WHEREAS, Since the passage of Proposition 13, proposed  
2 alternatives to Proposition 13 would have had a variety of  
3 unwelcome effects, including substantial tax increases for  
4 low-income and elderly homeowners; and

5 WHEREAS, Increased property taxes would be a disincentive  
6 for first-time homebuyers and stand as a barrier to growth of our  
7 housing market; and

8 WHEREAS, Proposition 13 remains just as popular with voters  
9 today as it was when it was approved, with numerous recent  
10 surveys citing over 60 percent support; and

11 WHEREAS, Proposed alternatives to Proposition 13 that would  
12 increase property taxes on California businesses would also affect  
13 the ability of employers to hire or retain California employees;  
14 and

15 WHEREAS, Proposed alternatives to Proposition 13 would also  
16 negatively affect renters who would see their rents increased if  
17 their landlords experienced property tax increases; and

18 WHEREAS, Since the passage of Proposition 13, voters have  
19 rejected, by wide margins, changes that would have businesses  
20 pay property taxes at a higher rate than those imposed upon  
21 residential owners, as evidenced by the defeat of Proposition 167  
22 in 1992; and

23 WHEREAS, The volatility of income and sales tax revenue to  
24 the state and local governments is a major flaw in California's tax  
25 system; however, Proposition 13 has rendered California's property  
26 taxes a stable and predictable source of public revenue even during  
27 economic downturns and has provided a major benefit to local  
28 governments in California; and

29 WHEREAS, Friday, June 6, 2014, marks the 36th year following  
30 the voters' approval of Proposition 13; now, therefore, be it

31 *Resolved by the Senate of the State of California*, That the  
32 Senate, in recognition of the impact Proposition 13 has had on the  
33 State of California, formally commemorates June 6, 2014, as the  
34 36th anniversary date of Proposition 13; and be it further

35 *Resolved*, That the Senate reaffirms its support for Proposition  
36 13 and the benefit that it provides to individual homeowners and  
37 to the state's overall economy; and be it further

1     *Resolved*, That the Secretary of the Senate transmit copies of  
2 this resolution to the Governor of the State of California, and to  
3 the author for appropriate distribution.

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